

## **SURVEY OF CONTRACTOR'S ACCOUNTING PRACTICES**

## BASIC INFORMATION



13. C. MATERIAL. (How are quantities determined? Are historical costs, special quotes, or estimates used in costing materials? Who computes quantities, extends costs, checks either or both?)

[Handwritten notes: "Costing materials? Who computes quantities, extends costs, checks either or both?")

D. OVERHEAD. (Do proposal rates vary depending on time of performance? Explain in detail.)

[Handwritten notes: "Do proposal rates vary depending on time of performance? Explain in detail.")

14. TRAVEL AND PER DIEM POLICY. (Indicate mode and class of transportation, per diem limitations, local mileage, etc.)

A. LOCAL - USE OF PRIVATE AUTOMOBILE REIMBURSED AT RATE OF \_\_\_\_\_¢ A MILE.

B. OUT OF TOWN. \_\_\_\_\_

## PART I - GENERAL INFORMATION

INSTRUCTIONS FOR PART I: Data for this part should cover the most recently completed fiscal year of the entity surveyed. "Government Sales" includes sales under both prime contracts and subcontracts. "Annual Total Sales" includes intracorporate transactions. (Estimates are permitted for Items 1.4.0 through 1.7.0.)

1.1.0 TYPE OF BUSINESS ENTITY OF WHICH THE ENTITY SURVEYED IS PART. (Check One.)		1.2.0 PREDOMINANT TYPE OF GOVERNMENT SALES. (Check One.)	
CORPORATION	JOINT VENTURE	MANUFACTURING	
PARTNERSHIP	EDUCATIONAL INSTITUTION	RESEARCH & DEVELOPMENT	
PROPRIETORSHIP		CONSTRUCTION	
NOT-FOR-PROFIT ORGANIZATION		SERVICES	
	OTHER (Specify)		
1.3.0 PRINCIPAL PRODUCT OR SERVICE SOLD TO THE GOVERNMENT. (Specify Name of Product or Service.)			
1.4.0 ANNUAL TOTAL SALES - GOVERNMENT AND COMMERCIAL (in Millions of Dollars). (Check One.)		1.5.0 ANNUAL TOTAL GOVERNMENT SALES (in Millions of Dollars). (Check One.)	
LESS THAN \$1	\$51-\$100	LESS THAN \$1	\$51-\$100
\$1-\$10	\$101-\$200	\$1-\$10	\$101-\$200
\$11-\$25	\$201-\$500	\$11-\$25	\$201-\$500
\$26-\$50	OVER \$500	\$26-\$50	OVER \$500
1.6.0 GOVERNMENT SALES (Item 1.5.0) AS PERCENTAGE OF TOTAL SALES (Item 1.4.0.) (Check One.)		1.7.0 GOVERNMENT SUBCONTRACT SALES AS PERCENTAGE OF TOTAL GOVERNMENT SALES (Item 1.5.0.) (Check One.)	
LESS THAN 10%	81%-95%	LESS THAN 10%	81%-95%
10%-50%	OVER 95%	10%-50%	OVER 95%
51%-80%		51%-80%	
1.8.0 DESCRIPTION OF COST ACCOUNTING SYSTEM FOR GOVERNMENT CONTRACTS AND SUBCONTRACTS. (Check the appropriate blocks. If more than one is checked, explain.)			
STANDARD COSTS - JOB ORDER		ACTUAL COSTS - JOB ORDER	
STANDARD COSTS - PROCESS		ACTUAL COSTS - PROCESS	
OTHERS (Describe)			
1.9.0 INTEGRATION OF COST ACCOUNTING WITH FINANCIAL ACCOUNTING. (Check one. If B or C is checked, describe the costs which are accumulated on memorandum records.) THE COST ACCOUNTING SYSTEM IS:			
A. INTEGRATED WITH FINANCIAL ACCOUNTING RECORDS. (Subsidiary cost accounts are all reconcilable to general ledger control accounts.)			
B. NOT INTEGRATED WITH FINANCIAL ACCOUNTING. (Cost data are accumulated on memorandum records.)			
C. COMBINATION OF A AND B ABOVE.			
1.10.0 UNIT OR JOB COSTS. IS THE COST ACCOUNTING SYSTEM CAPABLE OF PRODUCING UNIT OR JOB LOT COSTS DURING CONTRACT PERFORMANCE? (Check One.)			
A. YES. (Describe method used or which could be used to arrive at such costs.)			
B. NO. (Interim repricing not involved.)			
C. NO. (Interim repricing involved.) (Describe the manner in which interim repricing is developed.)			
1.11.0 YEAR, MONTH, DAY ON WHICH THE MOST RECENT FISCAL YEAR ENDED. (Use numbers, e.g., 730630 for June 30, 1973; 731231 for December 31, 1973. Enter in blocks.)			
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>			

## PART II - DIRECT COSTS

INSTRUCTIONS FOR PART II: This part covers three major elements of direct costs, i.e., Direct Materials, Direct Labor, and Other Direct Costs.

2.1.0 DESCRIPTION OF DIRECT MATERIALS. DIRECT MATERIALS AS USED HERE ARE NOT LIMITED TO THOSE ITEMS OF MATERIALS ACTUALLY INCORPORATED INTO THE END PRODUCT; THEY ALSO INCLUDE MATERIALS, CONSUMABLE SUPPLIES, AND OTHER COSTS WHEN CHARGED TO GOVERNMENT CONTRACTS OR SIMILAR COST OBJECTIVES AS DIRECT MATERIALS. (Describe the principal classes of materials and service costs which are charged as direct materials. Group the materials and service costs by those which are incorporated in an end product and those which are not.)

## 2.2.0 METHOD OF CHARGING DIRECT MATERIALS.

2.2.1 DIRECT CHARGE NOT THROUGH AN INVENTORY ACCOUNT AT: (Check the appropriate blocks and if more than one is checked, explain.)

A. STANDARD COSTS (Describe type of standards used, e.g., current standards, basic standards, etc.)
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B. ACTUAL COSTS
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Y. OTHERS (Describe)
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Z. NOT APPLICABLE
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2.2.2 CHARGED FROM CENTRAL OR COMMON, COMPANY-OWNED INVENTORY ACCOUNT AT: (Check the appropriate blocks and if more than one is checked, explain.)

A. STANDARD COSTS (Describe type of standards used.)	Y. OTHERS (Describe)
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B. AVERAGE COSTS
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C. FIRST IN, FIRST OUT
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D. LAST IN, FIRST OUT
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2.3.0 TIMING OF CHARGING DIRECT MATERIALS INCORPORATED IN END PRODUCT. (Check the appropriate blocks to indicate the point in time at which materials incorporated in the end product are charged to Government contracts or similar cost objectives. If more than one block is checked, explain.)

A. WHEN ORDERS ARE PLACED	D. WHEN CONSUMED OR INCORPORATED IN END PRODUCT
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B. WHEN MATERIAL IS RECEIVED, OR WHEN FABRICATED, IF FABRICATED IN-HOUSE
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C. WHEN MATERIAL IS ISSUED OR RELEASED TO JOBS
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E. WHEN INVOICES ARE VOUCHERED OR PAID
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Y. OTHERS (Describe below.)
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Z. NOT APPLICABLE
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2.4.0 VARIANCES FROM STANDARD COSTS FOR DIRECT MATERIALS. (Complete Items 2.4.1 through 2.4.4 only if you have checked Block A of Item 2.2.1 or 2.2.2. Check the appropriate blocks in Items 2.4.1, 2.4.2, 2.4.3, and 2.4.4. If more than one block is checked, explain.)

## 2.4.1 TYPE OF VARIANCE.

PRICE	USAGE	COMBINED PRICE AND USAGE	OTHERS (Describe)

## 2.4.2 METHOD OF ACCUMULATING VARIANCE.

A. PLANT-WIDE BASIS	C. BY PRODUCT OR PRODUCT LINE
B. BY DEPARTMENT	D. BY CONTRACT
Y. OTHERS (Describe)	

## 2.4.3 METHOD OF DISPOSING OF VARIANCE. (Describe the basis for, and the frequency of, the disposition of the variance.)

A. PRORATED BETWEEN INVENTORIES AND COST OF GOODS SOLD
B. CHARGED OR CREDITED ONLY TO COST OF GOODS SOLD
C. CHARGED OR CREDITED ONLY TO OVERHEAD
Y. OTHERS (Describe)

## 2.4.4 REVISIONS. STANDARD COSTS FOR DIRECT MATERIALS ARE REVISED:

A. SEMIANNUALLY	C. REVISED AS NEEDED, BUT AT LEAST ONCE ANNUALLY
B. ANNUALLY	
Y. OTHERS (Describe)	

## 2.5.0 METHOD OF CHARGING DIRECT LABOR. (Check the appropriate blocks for each Direct Labor Category to show how such labor is charged to Government contracts or similar cost objectives. If more than one block is checked, explain. Also describe the principal classes of labor or costs that are, or will be, included in Manufacturing Labor, Engineering Labor, and Other Direct Labor, as applicable.)

	DIRECT LABOR CATEGORY		
	MANUFACTURING	ENGINEERING	OTHER DIRECT
A. INDIVIDUAL/ACTUAL RATES			
B. AVERAGE RATES (Describe)			
C. STANDARD COSTS/RATES (Describe)			
Y. OTHERS (Describe)			
Z. LABOR CATEGORY IS NOT APPLICABLE			

2.6.0 VARIANCES FROM STANDARD COSTS FOR DIRECT LABOR. (Complete Items 2.6.1 through 2.6.4 only if you have checked block C of Item 2.5.0 for any direct labor category. Check the appropriate blocks in each column of Items 2.6.1 and 2.6.2 and 2.6.3, and in Item 2.6.4. If more than one is checked, explain.)

## 2.6.1 TYPE OF VARIANCE.

	DIRECT LABOR CATEGORY		
	MANUFACTURING	ENGINEERING	OTHER DIRECT
A. RATE			
B. EFFICIENCY			
C. COMBINED (A AND B)			
Y. OTHERS (Describe)			
Z. LABOR CATEGORY IS NOT APPLICABLE			

## 2.6.2 METHOD OF ACCUMULATING VARIANCE.

	DIRECT LABOR CATEGORY		
	MANUFACTURING	ENGINEERING	OTHER DIRECT
A. PLANT-WIDE BASIS			
B. BY DEPARTMENT			
C. BY PRODUCT OR PRODUCT LINE			
D. BY CONTRACT			
Y. OTHERS (Describe)			
Z. LABOR CATEGORY IS NOT APPLICABLE			

## 2.6.3 METHOD OF DISPOSING OF VARIANCE. (Describe the basis for, and the frequency of, the disposition of the variance.)

	DIRECT LABOR CATEGORY		
	MANUFACTURING	ENGINEERING	OTHER DIRECT
A. PRORATED BETWEEN INVENTORIES AND COST OF GOODS SOLD			
B. CHARGED OR CREDITED ONLY TO COST OF GOODS SOLD			
C. CHARGED OR CREDITED ONLY TO OVERHEAD			
Y. OTHERS (Describe)			
Z. LABOR CATEGORY IS NOT APPLICABLE			

## 2.6.4 REVISIONS. STANDARD COSTS FOR DIRECT LABOR ARE REVISED:

A. SEMIANNUALLY	C. REVISED AS NEEDED, BUT AT LEAST ONCE ANNUALLY
B. ANNUALLY	
Y. OTHERS (Describe)	

## 2.7.0 CREDITS TO CONTRACT COSTS. WHEN GOVERNMENT CONTRACTS OR SIMILAR COST OBJECTIVES ARE CREDITED FOR THE FOLLOWING CIRCUMSTANCES, ARE THE RATES OF DIRECT LABOR, DIRECT MATERIALS, OTHER DIRECT COSTS, AND APPLICABLE INDIRECT COSTS ALWAYS THE SAME AS THOSE FOR THE ORIGINAL CHARGES? (Check one block for each circumstance, and for each "No" answer, explain how the credit differs from original charge.)

	CIRCUMSTANCE	YES	NO	NOT APPLICABLE
A.	TRANSFERS TO OTHER JOBS/CONTRACTS			
B.	UNUSED OR EXCESS MATERIALS REMAINING UPON COMPLETION OF CONTRACT			

2.8.0 INTERORGANIZATIONAL TRANSFERS. THIS ITEM IS DIRECTED ONLY TO THOSE MATERIALS, SUPPLIES, AND SERVICES WHICH ARE, OR WILL BE, TRANSFERRED TO THE ENTITY SURVEYED FROM DIVISIONS, SUBSIDIARIES, OR AFFILIATES UNDER COMMON CONTROL. (Check the appropriate blocks in each column to indicate the basis used by the transferor to charge the cost or price of interorganizational transfers of materials, supplies, and services to Government contracts or similar cost objectives. If more than one block is checked, explain. Full cost means the cost incurred as set forth in ASPR 15-205.22(e) or other pertinent procurement regulations.)

	BASIS	MATERIALS	SUPPLIES	SERVICES
A.	AT FULL COST EXCLUDING TRANSFEROR'S GENERAL AND ADMINISTRATIVE (G&A) EXPENSES			
B.	AT FULL COST INCLUDING TRANSFEROR'S G&A EXPENSES			
C.	AT FULL COST (A OR B ABOVE) PLUS A MARKUP PERCENTAGE			
D.	AT ESTABLISHED CATALOG OR MARKET PRICE OR PRICES BASED ON ADEQUATE COMPETITION			
Y.	OTHERS (Describe)			
Z.	INTERORGANIZATIONAL TRANSFERS ARE NOT APPLICABLE			

## PART III - DIRECT VS. INDIRECT

3.1.0 CRITERIA FOR DETERMINING HOW COSTS ARE CHARGED TO GOVERNMENT CONTRACTS OR SIMILAR COST OBJECTIVES.  
(Describe the criteria for determining whether costs are charged directly or indirectly.)

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## 3.2.0 TREATMENT OF COSTS OF SPECIFIED FUNCTIONS, ELEMENTS OF COST, OR TRANSACTIONS. (For each of the functions, elements of cost or transactions listed in Items 3.2.1, 3.2.2, and 3.2.3, enter one of the Codes A through F, or Y, to indicate how the item is treated. Enter Code Z in those blocks that are not applicable. Also, specify the names of the indirect pools for each function, element of cost, or transaction Coded E or F. If Code E, Sometimes direct/Sometimes indirect, is used, and if there is a deviation from the criteria described in response to Item 3.1.0, explain the circumstances involved which cause the deviation.)

TREATMENT CODE

A. DIRECT MATERIAL  
B. DIRECT LABOR  
C. DIRECT MATERIAL AND LABOR  
D. OTHER DIRECT COSTS

E. SOMETIMES DIRECT/SOMETIMES INDIRECT  
F. INDIRECT ONLY  
Y. OTHERS (Describe) \_\_\_\_\_

Z. NOT APPLICABLE

## 3.2.1 FUNCTIONS, ELEMENTS OF COST, OR TRANSACTIONS RELATIVE TO DIRECT MATERIALS.

	TREATMENT CODE	NAMES OF POOLS
a. CASH DISCOUNTS ON PURCHASES		
b. FREIGHT IN		
c. INCOME FROM SALE OF SCRAP		
d. INCOME FROM SALE OF SALVAGE		
e. INCOMING MATERIAL INSPECTION		
f. INVENTORY ADJUSTMENTS		
g. PURCHASING		
h. TRADE DISCOUNTS, REFUNDS, REBATES, AND ALLOWANCES ON PURCHASES		

## 3.2.2 FUNCTIONS, ELEMENTS OF COST, OR TRANSACTIONS RELATIVE TO DIRECT LABOR.

	TREATMENT CODE	NAMES OF POOLS
a. HEALTH INSURANCE		
b. HOLIDAY DIFFERENTIAL (PREMIUM PAY)		
c. OVERTIME PREMIUM PAY		
d. PENSION COSTS		
e. SHIFT PREMIUM PAY		
f. TRAINING		
g. TRAVEL AND SUBSISTENCE		
h. VACATION PAY		

## 3.2.3. FUNCTIONS, ELEMENTS OF COST, OR TRANSACTIONS -- MISCELLANEOUS.

		TREATMENT CODE	NAMES OF POOLS
a.	DESIGN ENGINEERING (IN-HOUSE)		
b.	DRAFTING (IN-HOUSE)		
c.	COMPUTER OPERATIONS (IN-HOUSE)		
d.	CONTRACT ADMINISTRATION		
e.	FREIGHT OUT (FINISHED PRODUCT)		
f.	LINE (OR PRODUCTION) INSPECTION		
g.	PACKAGING AND PRESERVATION		
h.	PREPRODUCTION COSTS AND START-UP COSTS		
i.	PRODUCTION SHOP SUPERVISION		
j.	PROFESSIONAL SERVICES (CONSULTANT FEES)		
k.	PURCHASED LABOR OF DIRECT NATURE (ON PREMISES)		
l.	PURCHASED LABOR OF DIRECT NATURE (OFF PREMISES)		
m.	REARRANGEMENT COSTS		
n.	REWORK COSTS		
o.	ROYALTIES		
p.	SCRAP WORK		
q.	SPECIAL TEST EQUIPMENT (AS DEFINED IN ASPR 15-205.40 OR OTHER PERTINENT PROCUREMENT REGULATIONS)		
r.	SPECIAL TOOLING (AS DEFINED IN ASPR 15-205.40 OR OTHER PERTINENT PROCUREMENT REGULATIONS)		
s.	WARRANTY COSTS		
t.	SUBCONTRACT COSTS		

3.3.0 OTHER COSTS CHARGED DIRECT TO CONTRACTS. (Describe all other significant functions, elements of cost, or transactions charged to Government contracts or similar cost objectives as direct material, direct labor, or other direct costs. Do not include functions or costs covered in Items 2.1.0, 2.5.0, and 3.2.0, which are always charged direct. Describe also whether or not there are any deviations from the criteria set out in Item 3.1.0.)

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## PART IV - INDIRECT COSTS

INSTRUCTIONS FOR PART IV: For the purpose of this part, indirect costs have been divided into three categories: (i) manufacturing, engineering, and comparable indirect costs, (ii) general and administrative (G&A) expenses, and (iii) service center costs, as defined in Item 4.3.0. The term "overhead," as used in this part, refers only to the first category of indirect costs.

The following Allocation Base Codes are provided for use in connection with Items 4.1.0, 4.2.0, and 4.3.0.

- A. Sales
- B. Cost of sales
- C. Cost input (direct material, direct labor, other direct costs, and applicable overhead)
- D. Total cost incurred (cost input plus G&A expenses)
- E. Prime cost (direct material, direct labor, and other direct cost)
- F. Processing or conversion cost (direct labor and applicable overhead)
- G. Direct labor dollars
- H. Direct labor hours
- I. Machine hours
- J. Usage
- K. Unit of product
- L. Direct material cost
- M. Total payroll dollars (direct and indirect employees)
- N. Headcount or number of employees (direct and indirect employees)
- O. Square feet
- Y. Others, or more than one basis (*describe*) \_\_\_\_\_

Z. Pool not applicable

4.1.0 OVERHEAD POOLS AND ALLOCATION BASES. (*Enter for each type of overhead pool one of the Allocation Base Codes A through O or Y, to indicate the basis for allocating such pool of expenses to Government contracts or similar cost objectives, i.e., allocation to these final cost objectives without any intermediate allocations. Enter Code Z in those blocks for types of pools that are not applicable to the reporting unit; however, if a single plant-wide pool is used, Lines (b) through (n) may be left blank.*)

	ALLOCATION BASE CODE
a.	SINGLE, PLANT-WIDE POOL ( <i>If entry other than "Z" is made here, skip to Item 4.2.0.</i> )
b.	MANUFACTURING
c.	ENGINEERING
d.	MANUFACTURING AND ENGINEERING
e.	TOOLING
f.	OFF-SITE OR OUT-PLANT (GEOGRAPHICAL POOL)
g.	FIELD SERVICE
h.	MATERIAL HANDLING
i.	DEPARTMENTAL/SHOP
j.	SUBCONTRACT ADMINISTRATION
k.	USE AND OCCUPANCY
l.	QUALITY CONTROL
m.	FRINGE BENEFITS
n.	OTHER POOLS ( <i>Enter Code Y on this line if other pools are used, and identify each such pool and its Allocation Base Code. If no other pools are used, enter Code Z.</i> )

4.2.0 SURVEYED ENTITY G&A POOLS AND ALLOCATION BASES. (Enter for each type of G&A pool one of the Allocation Base Codes A through O, or Y to indicate the basis for allocating G&A to Government contracts or similar cost objectives, i.e., allocation to these final cost objectives without any intermediate allocations. Enter Code Z in those blocks for types of pools that are not applicable to the unit; however, if an entry other than "Z" is made on Line (a), (b), (c) or (d), Lines (e) through (n) may be left blank.)

TYPE OF POOL	ALLOCATION BASE CODE
a. SINGLE G&A POOL ONLY	
b. COMBINED WITH SINGLE, PLANT-WIDE OVERHEAD POOL	
c. COMBINED WITH MANUFACTURING OVERHEAD	
d. COMBINED WITH ENGINEERING OVERHEAD	
e. GENERAL AND ADMINISTRATIVE	
f. COMMERCIAL - GENERAL AND ADMINISTRATIVE	
g. GOVERNMENT - GENERAL AND ADMINISTRATIVE	
h. SELLING OR MARKETING EXPENSE	
i. INDEPENDENT RESEARCH AND DEVELOPMENT (IR&D) COSTS	
j. BIDDING AND PROPOSAL (B&P) COSTS	
k. IR&D AND B&P COSTS	
l. SPARES ADMINISTRATION	
m. CORPORATE OR HOME OFFICE EXPENSE	
n. OTHER POOLS (Enter Code Y on this line if other pools are used, and identify each such pool and its Allocation Base Code. If no other pools are used, enter Base Code Z.)	

4.3.0 SERVICE CENTERS AND ALLOCATION BASES. SERVICE CENTERS ARE DEPARTMENTS OR OTHER FUNCTIONAL UNITS WHICH PERFORM SPECIFIC TECHNICAL AND/OR ADMINISTRATIVE SERVICES FOR THE BENEFIT OF OTHER UNITS WITHIN A REPORTING UNIT. **CATEGORY CODE:** GENERALLY, COSTS INCURRED BY SUCH CENTERS ARE, OR CAN BE, CHARGED OR ALLOCATED (I) PARTIALLY TO SPECIFIC FINAL COST OBJECTIVES AS DIRECT COSTS AND PARTIALLY TO OTHER INDIRECT COST POOLS (SUCH AS A MANUFACTURING OVERHEAD POOL) FOR SUBSEQUENT REALLOCATION TO SEVERAL FINAL COST OBJECTIVES, REFERRED TO HEREIN AS CATEGORY "A," AND (III) ONLY TO SEVERAL OTHER INDIRECT COST POOLS (SUCH AS MANUFACTURING OVERHEAD POOL, ENGINEERING OVERHEAD POOL, AND G&A EXPENSE POOL) FOR SUBSEQUENT REALLOCATION TO SEVERAL FINAL COST OBJECTIVES, REFERRED TO HEREIN AS CATEGORY "B." **RATE CODE:** SOME SERVICE CENTERS MAY USE PREDETERMINED BILLING OR COSTING RATES TO CHARGE OR ALLOCATE THE COSTS (RATE CODE A) WHILE OTHERS MAY CHARGE OR ALLOCATE ON AN ACTUAL BASIS (RATE CODE B).

(Enter in Column 1, for each service center, Code A or B to indicate the category of pool. Enter in Column 2 one of the Allocation Base Codes A through O or Y, to indicate the basis of charging or allocating service center costs. Enter in Column 3 the Rate Code A or B to describe the costing method used. Enter Code Z in Column 1 only, if any service center is not applicable to the reporting unit.)

	(1) CATEGORY CODE	(2) ALLOCATION BASE CODE	(3) RATE CODE
a. SCIENTIFIC COMPUTER OPERATIONS			
b. BUSINESS DATA PROCESSING			
c. PHOTOGRAPHY SERVICES			
d. REPRODUCTION SERVICES			
e. ART SERVICES			
f. TECHNICAL TYPING SERVICES			
g. COMMUNICATION SERVICES			
h. FACILITY SERVICES (MAINTENANCE, ETC.)			
i. AUTO POOL SERVICES			
j. COMPANY AIRCRAFT SERVICES			
k. WIND TUNNELS			
l. OTHER SERVICE CENTERS (Enter Code Y on this line if other service centers are used, and identify each such service center, its Category Code, Allocation Base Code, and Rate Code. If no other service centers are used, enter Code Z.)			

4.4.0 TREATMENT OF VARIANCES FROM ACTUAL COST (Underabsorption or Overabsorption). WHERE PREDETERMINED BILLING OR COSTING RATES ARE USED TO CHARGE COSTS OF SERVICE CENTERS TO GOVERNMENT CONTRACTS OR OTHER INDIRECT COST POOLS (RATE CODE A IN COLUMN (3) OF ITEM 4.3.0), VARIANCES FROM ACTUAL COSTS ARE: (Check the appropriate block(s) and if more than one is checked, explain.)

A. PRORATED TO USERS ON THE BASIS OF CHARGES MADE, AT LEAST ONCE ANNUALLY	B. ALL CHARGED OR CREDITED TO INDIRECT COST POOLS AT LEAST ONCE ANNUALLY
Y. OTHERS (Describe)	Z. SERVICE CENTER IS NOT APPLICABLE TO REPORTING UNIT
<hr/> <hr/> <hr/> <hr/> <hr/>	
4.5.0 MAJOR TYPES OF INDIRECT COSTS. (For each pool coded other than Z in Items 4.1.0, 4.2.0 and 4.3.0, list the major functions, activities, and elements of cost included.)	
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4.6.0 ALLOCATION BASE. (For each allocation base code used in Items 4.1.0, 4.2.0, and 4.3.0, describe the makeup of the base; for example, if direct labor dollars is used, are overtime premium, fringe benefits, etc., included?)	
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4.7.0 APPLICATION OF OVERHEAD AND G&A RATES TO SPECIFIED TRANSACTIONS OR COSTS. THIS ITEM IS DIRECTED TO ASCERTAINING THE PRACTICE IN SPECIAL SITUATIONS WHERE, IN LIEU OF ESTABLISHING A SEPARATE INDIRECT COST POOL, ALLOCATION IS MADE FROM AN ESTABLISHED OVERHEAD OR G&A POOL AT LESS THAN THE NORMAL FULL RATE FOR THAT POOL. THE TERM "LESS THAN FULL RATE" BELOW APPLIES TO THIS TYPE OF INDIRECT COST ALLOCATION PRACTICE. THE TERM DOES NOT APPLY TO SITUATIONS WHERE, AS IN SOME CASES OF OFF-SITE ACTIVITIES, ETC., A SEPARATE INDIRECT COST POOL AND BASE ARE USED AND THE RATE OF SUCH ACTIVITIES IS LOWER THAN THE "IN-HOUSE" RATE.

(For each of the transactions or costs listed below, enter one of the following codes to indicate the indirect cost allocation practice with respect to that transaction or cost. If Code A, less than full rate, is entered, describe the major types of expenses that are covered by such a rate. If Code B, full rate, is entered, identify the pool(s) reported under Items 4.1.0, 4.2.0 and 4.3.0 which are applicable. If Code C, combination of A and B, is entered, describe the applicable expense and pool data.)

RATE CODE:	A. LESS THAN FULL	C. COMBINATION OF A AND B
	B. FULL RATE	D. NO OVERHEAD OR G&A IS APPLIED
Z.	TRANSACTION OR COST IS NOT APPLICABLE TO REPORTING UNIT	

TRANSACTION OR COST TO WHICH INDIRECT COSTS MAY BE ALLOCATED	RATE CODE
a. SUBCONTRACT COSTS	
b. PURCHASED LABOR	
c. GOVERNMENT-FURNISHED MATERIALS	
d. INTERORGANIZATIONAL TRANSFERS IN	
e. INTERORGANIZATIONAL TRANSFERS OUT	
f. SELF-CONSTRUCTED DEPRECIABLE ASSETS	
g. LABOR ON INSTALLATION OF ASSETS	
h. OFF-SITE WORK	
i. OTHER TRANSACTIONS OR COSTS (Enter Code A on this line if there are other transactions or costs to which less than full rate is applied. List such transactions or costs, and for each describe the major types of expenses covered by such a rate. If there are no other such transactions or costs, enter Code Z.)	

4.8.0 INDEPENDENT RESEARCH AND DEVELOPMENT (IR&D) AND BIDDING AND PROPOSAL (B&P) COSTS.

4.8.1 INDEPENDENT RESEARCH AND DEVELOPMENT. IR&D COSTS ARE DEFINED IN ASPR 15-205.35 OR OTHER PERTINENT PROCUREMENT REGULATIONS, AS REVISED. THE FULL RATE OF ALL ALLOCABLE MANUFACTURING, ENGINEERING, AND/OR OTHER OVERHEAD IS APPLIED TO IR&D COSTS AS IF IR&D PROJECTS WERE UNDER CONTRACT, AND THE "BURDENED" IR&D COSTS ARE: (Check one.)

A. ALLOCATED TO GOVERNMENT CONTRACTS OR SIMILAR COST OBJECTIVES AS PART OF THE G&A RATE
B. ALLOCATED AS A SEPARATE IR&D RATE
C. TRANSFERRED TO THE CORPORATE OR HOME OFFICE LEVEL. THE CORPORATE OR HOME OFFICE LEVEL IR&D COSTS ARE SUBSEQUENTLY ALLOCATED BACK TO THE REPORTING UNIT FOR ALLOCATION AS PART OF THE UNIT'S G&A RATE
D. TREATED THE SAME AS C ABOVE, EXCEPT THAT THE IR&D COSTS ARE ALLOCATED AS A SEPARATE IR&D RATE
Y. OTHER (Describe)
Z. NOT APPLICABLE

4.8.2 BIDDING AND PROPOSAL. B&P COSTS AS DEFINED IN ASPR 15-205.3 OR OTHER PERTINENT PROCUREMENT REGULATIONS, AS REVISED, ARE TREATED AS FOLLOWS: (Check one.)

A. SAME AS IR&D COSTS AS CHECKED ABOVE
Y. OTHER (Describe)

## PART V - DEPRECIATION AND CAPITALIZATION PRACTICES

5.1.0 DEPRECIATING TANGIBLE ASSETS FOR GOVERNMENT CONTRACT COSTING. (For each of the asset categories enter a code from A through G in Column 1 describing the method of depreciation (Code F for assets that are expensed); a code from A through E in Column 2 describing the basis for determining useful life; a code from A through C in Column 3 describing how depreciation methods or use charges are applied to property units; and a Code A, B, or C in Column 4 indicating whether or not residual value is deducted from the total cost of depreciable assets. Enter Code Y in each column of an asset category where another or more than one method applies. Enter Code Z in Column 1 only, if an asset category is not applicable.)

<u>Column 1 - Depreciation Method Code</u>		<u>Column 2 - Useful Life Code</u>		
A. Straight-line	B. Declining Balance	C. Sum-of-the-years digits	D. Machine hours	
E. Unit of production	F. Expensed at acquisition	G. Use charge	Y. Other or more than one method (Describe)	
<u>Z. Asset category is not applicable</u>				
<u>Column 3 - Property Units Code</u>		<u>Column 4 - Residual Value Code</u>		
A. Individual units are accounted for separately	B. Applied to groups of assets with similar service lives	C. Applied to groups of assets with varying service lives	Y. Other or more than one method (Describe)	
ASSET CATEGORY	DEPRECIATION METHOD CODE (1)	USEFUL LIFE CODE (2)	PROPERTY UNITS CODE (3)	RESIDUAL VALUE CODE (4)
a. LAND IMPROVEMENTS				
b. BUILDING				
c. BUILDING IMPROVEMENTS				
d. LEASEHOLD IMPROVEMENTS				
e. MACHINERY AND EQUIPMENT				
f. FURNITURE AND FIXTURES				
g. AUTOMOBILES AND TRUCKS				
h. DATA PROCESSING EQUIPMENT				
i. PROGRAMMING/REPROGRAMMING COSTS				
j. PATTERNS AND DIES				
k. TOOLS				
l. OTHER DEPRECIABLE ASSET CATEGORIES (Enter Code Y on this line if other asset categories are used and enumerate each such asset category and the applicable codes. Otherwise enter Code Z.)				

5.2.0 DEPRECIATION PRACTICES FOR COSTING, FINANCIAL ACCOUNTING, AND INCOME TAX. ARE DEPRECIATION PRACTICES THE SAME FOR COSTING GOVERNMENT CONTRACTS AS FOR FINANCIAL ACCOUNTING AND INCOME TAX? (Check one block for each item.)

FINANCIAL ACCOUNTING		A. YES	B. NO	INCOME TAX		A. YES	B. NO
A.	METHODS			E.	METHODS		
B.	USEFUL LIVES			F.	USEFUL LIVES		
C.	PROPERTY UNITS			G.	PROPERTY UNITS		
D.	RESIDUAL VALUES			H.	RESIDUAL VALUES		

5.3.0 FULLY DEPRECIATED ASSETS. IS A USAGE CHARGE FOR FULLY DEPRECIATED ASSETS CHARGED TO GOVERNMENT CONTRACTS? (Check one. If Yes, describe the basis for the charge.)

A. YES (Describe)	B. NO	Z. NOT APPLICABLE

5.4.0 TREATMENT OF GAINS AND LOSSES ON DISPOSITION OF DEPRECIABLE PROPERTY. GAINS AND LOSSES ARE: (Check the appropriate blocks and if more than one is checked, explain.)

A. CREDITED OR CHARGED CURRENTLY TO THE SAME OVERHEAD OR G&A POOLS TO WHICH THE DEPRECIATION OF THE ASSETS WAS CHARGED
B. TAKEN INTO CONSIDERATION IN THE DEPRECIATION COST BASIS OF THE NEW ITEMS, WHERE TRADE-IN IS INVOLVED
C. NOT ACCOUNTED FOR SEPARATELY, BUT REFLECTED IN THE DEPRECIATION RESERVE ACCOUNT
D. CREDITED OR CHARGED TO OTHER (MISCELLANEOUS) INCOME AND EXPENSE ACCOUNTS
Y. OTHERS (Describe)
Z. NOT APPLICABLE

5.5.0 CAPITALIZATION OR EXPENSING OF SPECIFIED COSTS. (Check one block on each line to indicate the practices regarding capitalization or expensing of specified costs incurred in connection with capital assets. If the same specified cost is sometimes expensed and sometimes capitalized, check both blocks and describe the circumstances under which each method is used.)

COST		A. EXPENDED	B. CAPITALIZED
A. FREIGHT-IN			
B. INSTALLATION COSTS			
C. SALES TAXES			
D. EXCISE TAXES			
E. ARCHITECT-ENGINEER FEES			
F. OVERHAULS (EXTRAORDINARY REPAIRS)			
G. MAJOR MODIFICATIONS OR BETTERMENTS			

5.6.0 CRITERIA FOR CAPITALIZATION. (Enter (a) the minimum dollar amount of expenditures for acquisition, addition, alteration and improvement of depreciable assets capitalized, and (b) the minimum number of expected life years of capitalized assets. Use leading zeros for dollar amount, e.g., 0150 for \$150. If more than one dollar amount or number applies, show the information for the majority of the depreciable assets, and enumerate the dollar amounts and/or number of years for each category or subcategory of assets involved which differ from those for the majority of assets.)

a. MINIMUM DOLLAR AMOUNT

--	--	--	--

b. MINIMUM LIFE YEARS

--

5.7.0 GROUP OR MASS PURCHASE. ARE GROUP OR MASS PURCHASES (INITIAL COMPLEMENT) OF SIMILAR ITEMS, WHICH INDIVIDUALLY ARE LESS THAN THE CAPITALIZATION AMOUNT INDICATED ABOVE, CAPITALIZED? (Check One.)

A. YES	B. NO

## PART VI - OTHER COSTS AND CREDITS

**6.1.0 METHOD OF CHARGING AND CREDITING VACATION, HOLIDAY, AND SICK PAY.** (Check the appropriate blocks in each column of Items 6.1.1 and 6.1.2 to indicate the method used to charge (or credit) any unused or unpaid) vacation, holiday, or sick pay for direct and indirect labor. If more than one method is checked, explain.)

6.1.1 CHARGES	(1) DIRECT LABOR	(2) INDIRECT LABOR
A. WHEN ACCRUED (EARNED)		
B. WHEN TAKEN		
Y. OTHERS (Describe)		

**6.1.2 CREDITS FOR UNUSED OR UNPAID VACATION, HOLIDAY, OR SICK PAY**

	DIRECT LABOR (1)	INDIRECT LABOR (2)
A. CREDITED TO GOVERNMENT CONTRACTS AT LEAST ONCE ANNUALLY		
B. CREDITED TO INDIRECT COST POOLS AT LEAST ONCE ANNUALLY		
C. CREDITED TO OTHER (MISCELLANEOUS) INCOME		
D. NOT CREDITED		
Y. OTHERS (Describe)		

**6.2.0 SUPPLEMENTAL UNEMPLOYMENT (EXTENDED LAYOFF) BENEFIT PLANS.** COSTS OF SUCH PLANS ARE CHARGED TO GOVERNMENT CONTRACTS: (Check the appropriate blocks and if more than one is checked, explain.)

A. WHEN ACTUAL PAYMENTS ARE MADE DIRECTLY TO EMPLOYEES	
B. WHEN ACCRUED (BOOK ACCRUAL OR FUNDS SET ASIDE BUT NO TRUST FUND INVOLVED)	
C. WHEN CONTRIBUTIONS ARE MADE TO A NONFORFEITABLE TRUST FUND	
D. NOT CHARGED	
Y. OTHERS (Describe)	
Z. NOT APPLICABLE	

**6.3.0 SEVERANCE PAY.** COSTS OF NORMAL TURNOVER SEVERANCE PAY, AS DEFINED IN ASPR 15-205.39(B)(1) OR OTHER PERTINENT PROCUREMENT REGULATIONS, WHICH ARE CHARGED DIRECTLY OR INDIRECTLY TO GOVERNMENT CONTRACTS, ARE BASED ON: (Check the appropriate block(s) and if more than one is checked, explain.)

A. ACTUAL PAYMENTS MADE	
B. ACCRUED AMOUNTS ON THE BASIS OF PAST EXPERIENCE	
C. NOT CHARGED	
Y. OTHERS (Describe)	
Z. NOT APPLICABLE	

**6.4.0 INCIDENTAL RECEIPTS.** (Check the appropriate blocks to indicate the method used to account for receipts from renting real and personal property or selling services when related costs have been charged to Government contracts. If more than one is checked, explain.)

	A. THE ENTIRE AMOUNT OF THE RECEIPT IS CREDITED TO THE SAME INDIRECT COST POOLS TO WHICH THE RELATED COSTS HAVE BEEN CHARGED
	B. THE AMOUNT OF THE RECEIPT, LESS AN ALLOWANCE FOR PROFITS, IS CREDITED TO THE SAME INDIRECT COST POOLS TO WHICH RELATED COSTS HAVE BEEN CHARGED; THE PROFITS ARE CREDITED TO OTHER (MISCELLANEOUS) INCOME
	C. THE ENTIRE AMOUNT OF THE RECEIPT IS CREDITED DIRECTLY TO OTHER (MISCELLANEOUS) INCOME
	Y. OTHERS (Describe)
	Z. NOT APPLICABLE
<p><b>6.5.0 PROCEEDS FROM EMPLOYEE WELFARE ACTIVITIES.</b> EMPLOYEE WELFARE ACTIVITIES INCLUDE ALL OF THOSE ACTIVITIES SET FORTH IN ASPR 15-205.10(a) OR OTHER PERTINENT PROCUREMENT REGULATIONS. (Check the appropriate blocks to indicate the practice followed in accounting for the proceeds from such activities. If more than one is checked, explain.)</p>	
	A. PROCEEDS ARE TURNED OVER TO AN EMPLOYEE-WELFARE ORGANIZATION OR FUND; SUCH PROCEEDS ARE REDUCED BY ALL APPLICABLE COSTS SUCH AS DEPRECIATION, HEAT, LIGHT, AND POWER
	B. SAME AS ABOVE, EXCEPT THE PROCEEDS ARE NOT REDUCED BY ALL APPLICABLE COSTS
	C. PROCEEDS ARE CREDITED AT LEAST ONCE ANNUALLY TO THE APPROPRIATE INDIRECT COST POOLS TO WHICH COSTS HAVE BEEN CHARGED
	D. PROCEEDS ARE CREDITED TO OTHER (MISCELLANEOUS) INCOME
	Y. OTHERS (Describe)
	Z. NOT APPLICABLE

## PART VII - DEFERRED COMPENSATION AND INSURANCE COSTS

**INSTRUCTIONS FOR PART VII:** This part covers pension costs and certain types of deferred incentive compensation and insurance costs. Some organizations may record all of these costs at the corporate or home office level, while others may record them at subordinate organization levels. Still others may record a portion of these costs at the corporate or home office level and the balance at subordinate organization levels. The necessary information should be obtained from the organizational level at which such costs are recorded.

**7.1.0 PENSION COSTS.** THE ACTUARIAL TERMS USED IN THIS ITEM ARE DEFINED IN OPINION NUMBER 8 OF THE ACCOUNTING PRINCIPLES BOARD, AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

**7.1.1 PENSION PLANS CHARGED TO GOVERNMENT CONTRACTS.** DOES THE ORGANIZATION HAVE ONE OR MORE PENSION PLANS WHOSE COSTS ARE CHARGED TO GOVERNMENT CONTRACTS? (Check one.)

A. YES. (If Yes, list each such plan. Indicate the approximate number and type of employees covered by each plan and whether the plan is, or is not, qualified under Internal Revenue Service criteria. Complete Items 7.1.2 through 7.1.9 for the three plans covering the greatest number of employees whose pension costs are charged to Government contracts.)

B. NO. (If No, skip to Item 7.2.0.)

**7.1.2 EXTENT OF FUNDING.** (Check one block for each plan. In the event the amount funded for each plan is different from the amount charged on the books of account, describe the difference.)

	PLAN I	PLAN II	PLAN III
A. NORMAL COSTS ONLY			
B. NORMAL COSTS PLUS INTEREST ON PAST OR PRIOR SERVICE COSTS			
C. NORMAL COSTS PLUS AN AMORTIZED PORTION OF PAST OR PRIOR SERVICE COSTS			
Y. OTHER (Describe)			

Z. NOT APPLICABLE

**7.1.3 ACTUARIAL COST METHOD.** (Check one block for each plan to show the method used to compute normal and past or prior service costs.)

	PLAN I	PLAN II	PLAN III
A. ACCRUED BENEFIT COST			
B. AGGREGATE			
C. ATTAINED AGE - INITIAL LIABILITY FROZEN			
D. ATTAINED AGE - INITIAL LIABILITY NOT FROZEN			
E. ENTRY AGE - INITIAL LIABILITY FROZEN			
F. ENTRY AGE - INITIAL LIABILITY NOT FROZEN			
G. INDIVIDUAL LEVEL PREMIUM			
Y. OTHER (Describe)			

Z. NOT APPLICABLE

7.1.4 FREQUENCY OF ACTUARIAL REEVALUATIONS. (Check one block for each plan.)			
A. ANNUALLY	PLAN I	PLAN II	PLAN III
B. TWO TO THREE YEARS			
C. FOUR TO FIVE YEARS			
Y. OTHER (Describe)			
Z. NOT APPLICABLE			
7.1.5 CRITERIA FOR CHANGING ACTUARIAL COMPUTATIONS AND ASSUMPTIONS. (Describe the criteria for determining when actuarial assumptions and computations for the funded plans are changed.)			
7.1.6 AMORTIZATION OF PAST OR PRIOR SERVICE COSTS. (Check one block for each plan to show the period over which past or prior service costs are amortized.)			
A. 10 YEARS OR LESS	PLAN I	PLAN II	PLAN III
B. 11 TO 20 YEARS			
C. 21 TO 40 YEARS			
Y. MORE THAN ONE AMORTIZATION SCHEDULE (Describe)			
Z. NOT APPLICABLE			
7.1.7 ADJUSTMENT FOR ACTUARIAL GAINS AND LOSSES. (Check one block for each plan to show the period for which costs are adjusted for actuarial gains and losses. If actuarial losses for a plan are treated differently from actuarial gains, describe difference.)			
A. ADJUSTMENT OF PAST SERVICE COSTS	PLAN I	PLAN II	PLAN III
B. ADJUSTMENT OF CURRENT YEAR'S COSTS			
C. ADJUSTMENT OF FUTURE YEARS' COSTS			
Y. OTHER (Describe)			
Z. NOT APPLICABLE			
7.1.8 UNREALIZED GAINS AND LOSSES. DO THE ACTUARIAL GAINS AND LOSSES REPORTED IN ITEM 7.1.7 ABOVE INCLUDE UNREALIZED GAINS AND LOSSES? (Check one block for each plan. If Yes is checked, describe the method of recognition of such gains and losses.)			
A. YES	PLAN I	PLAN II	PLAN III
B. NO			
C. NOT APPLICABLE			
Z. NOT APPLICABLE			
7.1.9 AMORTIZATION OF ACTUARIAL GAINS AND LOSSES. (Check one block for each plan to show the period over which actuarial gains and losses are amortized. If the amortization of actuarial losses for a plan is treated differently from the amortization of actuarial gains, describe the difference.)			
A. 10 YEARS OR LESS	PLAN I	PLAN II	PLAN III
B. 11 TO 20 YEARS			
C. MORE THAN 20 YEARS			
Y. OTHER (Describe)			
Z. NOT APPLICABLE			

## 7.2.0 DEFERRED INCENTIVE COMPENSATION CHARGED TO GOVERNMENT CONTRACTS.

7.2.1 DEFERRED INCENTIVE COMPENSATION. DOES THE ORGANIZATION AWARD DEFERRED INCENTIVE COMPENSATION (I.E., PROFIT SHARING, STOCK BONUS, ETC.) WHICH IS CHARGED TO GOVERNMENT CONTRACTS? (Check one.)

A. YES (If Yes is checked, list each plan by name or title and show the approximate number and type of employees covered. Complete Items 7.2.2 and 7.2.3 for the three plans covering the greatest number of employees whose deferred incentive compensation cost is charged to Government contracts.)

B. NO (If No is checked, skip to Item 7.3.0.)

## 7.2.2 QUALIFICATION OF PLAN. (Check one block for each plan.)

	PLAN I	PLAN II	PLAN III
A. QUALIFIES UNDER SECTION 401(A) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED			
B. DOES NOT QUALIFY UNDER SECTION 401(A) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED			

## 7.2.3 METHOD OF CHARGING COSTS TO GOVERNMENT CONTRACTS. (Check one block for each plan.)

	PLAN I	PLAN II	PLAN III
A. WHEN ACCRUED			
B. WHEN CONTRIBUTIONS ARE MADE TO A TRUST FUND			
C. WHEN PAID DIRECTLY TO EMPLOYEES			
D. WHEN OTHER "NONQUALIFIED" PAYMENTS ARE MADE			
Y. OTHER OR MORE THAN ONE METHOD (Describe)			

## 7.3.0 EMPLOYEE GROUP INSURANCE CHARGED TO GOVERNMENT CONTRACTS. (INCLUDES COVERAGE FOR LIFE, HOSPITAL, SURGICAL, MEDICAL, LONG-TERM DISABILITY, ACCIDENT, ETC.)

## 7.3.1 METHOD OF PROVIDING INSURANCE. (Check one.)

A. ALL BY PURCHASE	C. COMBINATION OF A AND B (Describe)
B. ALL SELF-INSURED (If checked, skip to Item 7.4.0.)	
Z. NOT APPLICABLE (If checked, skip to Item 7.5.0.)	

## 7.3.2 TYPE OF PURCHASED INSURANCE PLANS. (Check one.)

A. RETROSPECTIVE RATING (ALSO CALLED EXPERIENCE RATING PLAN OR RETENTION PLAN)
B. MANUALLY RATED
Y. OTHER OR MORE THAN ONE TYPE (Describe)

## 7.3.3 TREATMENT OF EARNED REFUNDS AND DIVIDENDS FROM PURCHASED INSURANCE PLANS. REFUNDS ARE ALSO CALLED EXPERIENCE RATING CREDITS OR RETROACTIVE RATING CREDITS. ALL EARNED REFUNDS AND DIVIDENDS ALLOCABLE TO GOVERNMENT CONTRACTS: (Check one.)

A. ARE CREDITED DIRECTLY OR INDIRECTLY TO CONTRACTS IN THE POLICY YEAR EARNED, IN THE SAME MANNER AS THE PREMIUMS ARE CHARGED
B. ARE CREDITED DIRECTLY OR INDIRECTLY TO CONTRACTS IN THE YEAR RECEIVED IN THE SAME MANNER AS THE PREMIUMS ARE CHARGED, NOT NECESSARILY IN THE YEAR EARNED
C. WHICH ARE ESTIMATED TO BE RECEIVED IN THE FUTURE ARE ACCRUED EACH YEAR, AS APPLICABLE, TO CURRENTLY REFLECT THE NET ANNUAL COST OF THE INSURANCE
D. OR PORTIONS THEREOF ARE NOT CREDITED OR REFUNDED TO THE CONTRACTOR EACH YEAR AND ARE RETAINED BY THE CARRIERS AS RESERVES. (If D is checked, describe (i) the purposes of the reserves, other than "claims reserves" retained by carriers and (ii) whether such reserves are refundable on call or upon termination of the policies, clauses, or auxiliary agreements which provide for reserve retentions.)

Y. OTHER OR MORE THAN ONE METHOD (Describe)

## PART VIII - CORPORATE OR GROUP EXPENSES

INSTRUCTIONS FOR PART VIII: FOR CORPORATE (HOME) OFFICE, OR GROUP (INTERMEDIATE MANAGEMENT) OFFICE, AS APPLICABLE (Includes home office type operations of joint ventures, partnerships, etc.) Sales data for this part should cover the most recently completed fiscal year. For a corporate (home) office, such data should cover the entire corporation. For a group office, they should cover the subordinate organizations managed by that group office. "Government Sales" includes sales under both prime contracts and subcontracts.

**8.1.0 ANNUAL TOTAL SALES (Government and Commercial). (Check one.)**

A. LESS THAN \$50 MILLION	D. \$201-\$500 MILLION
B. \$50-\$100 MILLION	E. \$501 MILLION TO \$1 BILLION
C. \$101-\$200 MILLION	F. OVER \$1 BILLION

**8.2.0 APPROXIMATE PERCENTAGE OF GOVERNMENT SALES TO ANNUAL TOTAL SALES. (Check one.)**

A. LESS THAN 5%	D. 26% - 50%
B. 5% - 10%	E. 51% - 80%
C. 11% - 25%	F. OVER 80%

**8.3.0 EXPENSES OR POOLS OF EXPENSES AND METHODS OF ALLOCATION.** FOR CLASSIFICATION PURPOSES, THREE METHODS OF ALLOCATION ARE DEFINED: (I) DIRECTLY CHARGEABLE - THOSE EXPENSES THAT ARE CHARGED TO SPECIFIC CORPORATE SEGMENTS FOR CENTRALLY PERFORMED OR PURCHASED SERVICES; (II) SEPARATELY ALLOCATED - THOSE INDIVIDUAL OR GROUPS OF EXPENSES WHICH ARE ALLOCATED ONLY TO A LIMITED GROUP OF CORPORATE SEGMENTS; AND (III) OVERALL ALLOCATION - THE REMAINING EXPENSES WHICH ARE ALLOCATED TO ALL OR MOST CORPORATE SEGMENTS ON AN OVERALL BASIS. CORPORATE SEGMENTS, AS USED HERE, REFER TO DIVISIONS, PRODUCT DEPARTMENTS, PLANTS, OR PROFIT CENTERS OF A CORPORATION WITH PRODUCTION AND, USUALLY, PROFIT RESPONSIBILITY, REPORTING TO CORPORATE HEADQUARTERS DIRECTLY OR THROUGH INTERMEDIATE ORGANIZATIONS. THE TERM INCLUDES GOVERNMENT-OWNED, CONTRACTOR-OPERATED (GOCO) PLANTS, FOREIGN OPERATIONS, SUBSIDIARY CORPORATIONS, AND JOINT VENTURES.

ALLOCATION BASE CODES

A. SALES	I. MACHINE HOURS
B. COST OF SALES	J. USAGE
C. COST INPUT (DIRECT MATERIAL, DIRECT LABOR, OTHER DIRECT COSTS AND APPLICABLE OVERHEAD)	K. UNIT OF PRODUCT
D. TOTAL COST INCURRED (COST INPUT PLUS G&A EXPENSES)	L. DIRECT MATERIAL COST
E. PRIME COST (DIRECT MATERIAL, DIRECT LABOR, AND OTHER DIRECT COSTS)	M. TOTAL PAYROLL DOLLARS (DIRECT AND INDIRECT EMPLOYEES)
F. PROCESSING OR CONVERSION COST (DIRECT LABOR AND APPLICABLE OVERHEAD)	N. HEADCOUNT OR NUMBER OF EMPLOYEES (DIRECT AND INDIRECT EMPLOYEES)
G. DIRECT LABOR DOLLARS	O. SQUARE FEET
H. DIRECT LABOR HOURS	
Y. OTHER OR MORE THAN ONE BASIS (Describe)	

(Enter the type of expenses or the name of the expense pools, and one of the Allocation Base Codes, A through O or Y, to indicate the basis of allocation.)

**8.3.1 DIRECTLY CHARGEABLE**

TYPE OF EXPENSES OR NAME OF POOL OF EXPENSES	ALLOCATION BASE CODE
(a)	
(b)	
(c)	
(d)	
(e)	

**8.3.2 SEPARATELY ALLOCATED**

TYPE OF EXPENSES OR NAME OF POOL OF EXPENSES	ALLOCATION BASE CODE
(a)	
(b)	
(c)	
(d)	
(e)	

## 8.3.3 OVERALL ALLOCATION

TYPE OF EXPENSES OR NAME OF POOL OF EXPENSES		ALLOCATION BASE CODE
(a)		
(b)		
(c)		
(d)		
(e)		
8.4.0 MAJOR TYPES OF EXPENSE. (For each pool reported in Items 8.3.1, 8.3.2, and 8.3.3, list the major functions, activities, and elements of cost included.)		
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>		
8.5.0 ALLOCATION BASE. (For each Allocation Base used in Items 8.3.2 and 8.3.3, describe the makeup of the base; for example: if direct labor dollars is used, are overtime premium, fringe benefits, etc., included?)		
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>		
8.6.0 OVERALL ALLOCATION. ARE EXPENSES IN THIS CATEGORY, ITEM 8.3.3, ALLOCATED TO ALL CORPORATE SEGMENTS? (Check one; if No is checked, list the names of excluded corporate segments and the reasons for their exclusion from the allocation.)		
<input type="checkbox"/> A. YES		<input type="checkbox"/> B. NO
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>		

8.7.0 TRANSFERS OF EXPENSES. ARE THERE NORMALLY TRANSFERS OF EXPENSES FROM SEGMENTS TO SYSTEM OR GROUP OFFICE? (Check one. If Yes, identify the classification of expense, the name of the segment incurring the expense, and the system or group office in which the expenses are included.)

OFFICE? (Check one. If Yes, identify the classification of expense, the name of the segment incurring the expense, and the system or group office in which the expenses are included.)

8.8.0 **FIXED MANAGEMENT CHARGES.** ARE FIXED AMOUNTS OF EXPENSES CHARGED TO ANY CORPORATE SEGMENTS IN LIEU OF A PRORATA OR ALLOCATION BASIS? (Check one; if Yes is checked, list the names of such corporate segments and the basis for making fixed management charges.)

8.9.0 GOVERNMENT OWNED/CONTRACTOR OPERATED (GOCO) PLANTS. ARE CORPORATE OR GROUP OFFICE EXPENSES ALLOCATED TO GOCO PLANTS? (Check one; if Yes is checked, describe the types of expenses involved and the method of allocation.)

REMARKS (*identify by item number and page*):